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REPORT
March 30, 1984

U.S. FOREIGN TRADE IN MACHINE TOOLS
1983

U.S. foreign trade in machine tools during the fourth quarter of 1983 produced a trade deficit of $99.8 million, bringing the total 1983 deficit to $540.4 million. Compared to 1982, U.S. exports declined 34% to a 1983 annual total of $406.0 million. U.S. imports of machine tools fell 24% over the same period, declining by $306.9 million to $946.4 million for the year.

U.S. Machine Tool Trade
($Millions)

4th Qtr. 1983	Exports	Imports	Surplus (Deficit)
Metal Cutting	$ 73.6	$171.1	($97.5)
Metal Forming	$ 42.2	$ 44.5	($ 2.3)
Total	$115.8	$215.6	($99.8)
Annual 1983			
Metal Cutting	$258.3	$ 716.9	($458.6)
Metal Forming	$147.7	$ 229.5	($ 81.8)
Total	$406.0	$ 946.4	($540.4)

EXPORTS

U.S. exports of metal cutting and metal forming machine tools totaled $258,303,000 and $147,660,000, respectively. Compared to 1982, exports of metal cutting machines fell 36%, while metal forming exports declined 30%.

The dollar values of U.S. exports to all regions fell during 1983. The largest percentage declines in dollar value occurred in South America, Africa, and North and Central America. Regional comparisons for 1982 and 1983 are shown on the next page.

national machine tool builders association

	U.S. Exports-1983 $ Mil.	% of Total	U.S. Exports-1982 $ Mil.	% of Total	%Change 83:82 Dollar Value
Europe	$128.6	31.7%	$163.6	26.6%	-21.4%
Asia	131.6	32.4	141.5	23.0	-7.0
N & C America	108.1	26.6	221.6	36.0	-51.2
South America	18.4	4.5	51.5	8.4	-64.3
Africa	10.1	2.5	24.0	3.9	-57.9
Oceania	9.1	2.3	12.7	2.1	-28.3
	$406.0	100.0%	$ 615.0	100.0%	-34.0%

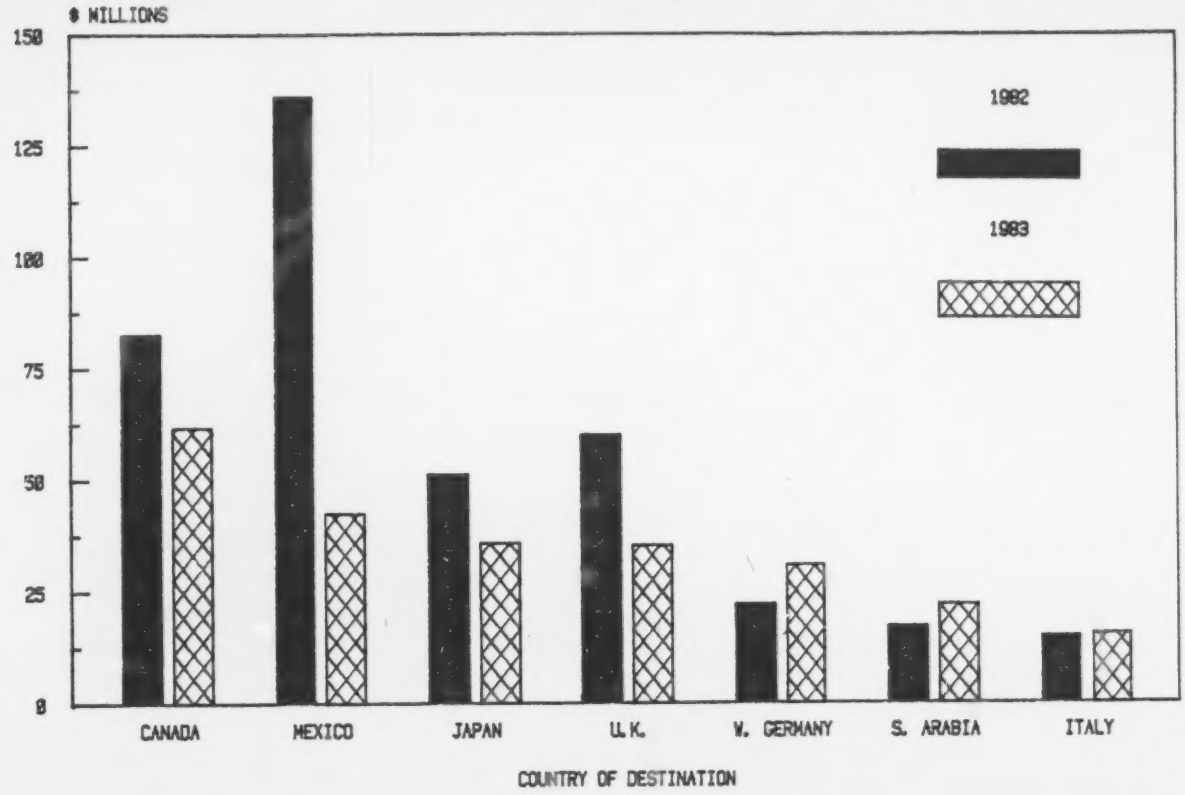
Exports to seven countries represented 60% of total U.S. machine tool exports. Ranked by dollar value, the leading markets were:

	U.S. Exports-1983 $ Mil.	% of Total	U.S. Exports-1982 $ Mil.	% of Total	%Change 83:82 Dollar Value
Canada	$ 61.7	15.2%	$82.3	13.4%	-25.0%
Mexico	42.5	10.5	$135.9	22.1	-68.7
Japan	35.7	8.8	51.0	8.3	-30.0
United Kingdom	35.0	8.6	59.8	9.7	-41.5
West Germany	30.9	7.6	21.8	3.5	+41.7
Saudi Arabia	21.8	5.4	17.3	2.8	+26.0
Italy	15.5	3.8	14.9	2.4	+4.0
	$243.1	59.9%	$383.0	62.2%	-36.5%

Canada became the leading market for U.S. machine tools in 1983, accounting for 15% of total U.S. exports. Metal cutting exports totaled $33.8 million for the year, falling 41% from 1982. Exports of metal forming machines stood at $28.0 million, a decline of 13% from the previous year.

LEADING EXPORT MARKETS

1983 VS. 1982



Mexico showed the largest overall decline in dollar value compared to last year, falling from $135.9 million in 1982 to $42.5 million this year. As a result, Mexico's 1983 total export share fell 11 percentage points, to 11%. Metal cutting exports during 1983 were $24.6 million, 68% below the 1982 total. Exports of metal forming machines also declined, by 69%, to $17.9 million in 1983.

U.S. exports to Japan totaled $35.7 million in 1983 and represented 9% of all machines exported. Metal cutting exports totaled $30.1 million, down 18% from 1982, while metal forming exports fell 61% to a yearly total of $5.6 million.

Machine tool exports to the United Kingdom stood at $35.0 million, down from $59.8 million last year. Exports of metal cutting machinery declined 40% during 1983, to $29.5 million. Metal forming exports of $5.6 million were 47% below last year's level. The overall annual market share of 9% is 1 percentage point below 1982.

West Germany registered the most significant gain in dollar value compared to last year, rising from $21.8 million to $30.9 million. Exports of metal cutting machine tools reached $17.0 million, up 3% from 1982. Metal forming exports more than doubled from the previous year and stood at $13.9 million for 1983.

Compared to 1982, U.S. exports to Saudi Arabia rose 26% to a total of $21.8 million. Metal cutting machinery exports totaled $9.0 million, an 8% increase from last year. Exports of metal forming machine tools rose 42%, to $12.8 million.

Italy's share of total U.S. machine tool exports in 1983 stood at 16%, up slightly from last year's level. Metal cutting exports of $8.7 million were 34% above 1982 levels, however, metal forming exports fell 20% to $6.8 million.

IMPORTS

The reported value of U.S. machine tool imports stood at $946.4 million during 1983. Metal cutting imports of $716.9 million were 32% below the 1982 level, however, metal forming imports rose 17% to $229.5 million in 1983. It should be noted that machine tool imports, as reflected in the government statistics, are actually undervalued. They reflect values in the country of origin and do not include ocean freight, insurance, dealer's commissions, or import duties. The purchaser in this country is paying significantly more for imported machine tools than is reported in the government import statistics.

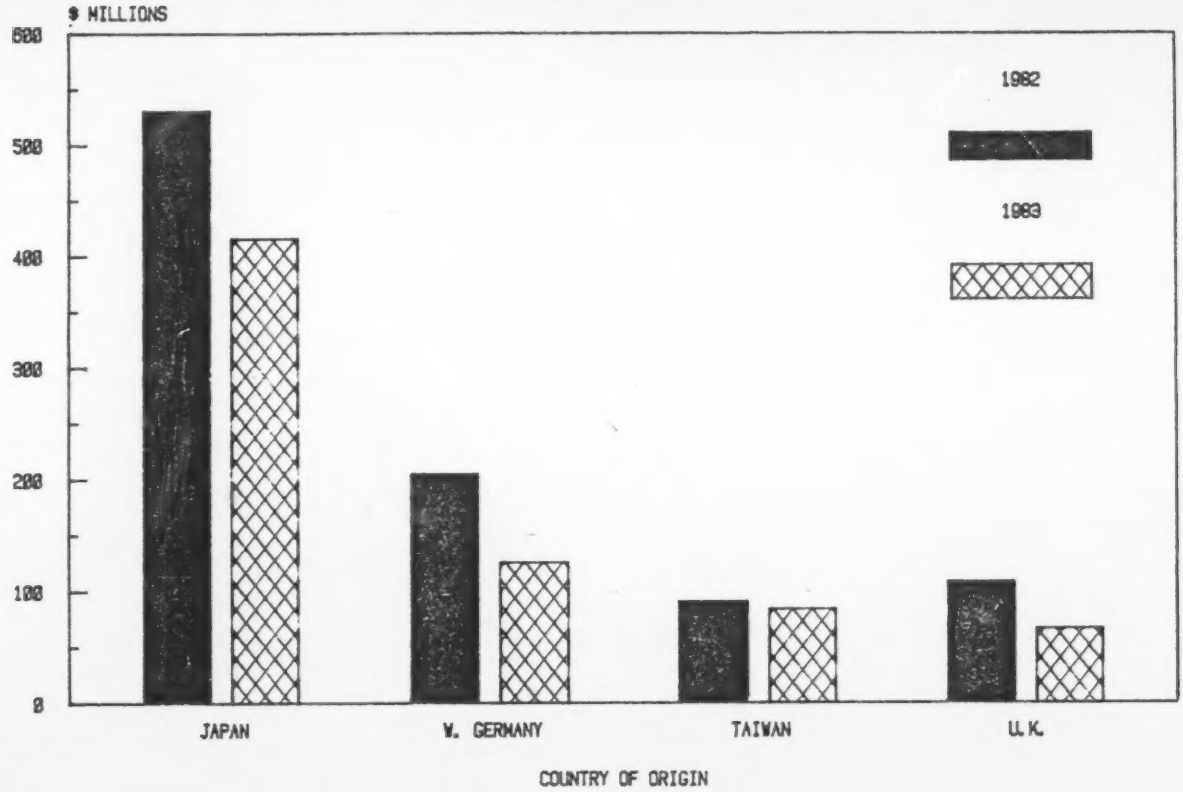
In 1983, four countries supplied 73% of U.S. machine tool imports. The dollar value of imports from each of these countries declined in 1983 and their combined dollar share of total U.S. imports was 26% below 1982 levels.

	U.S. Imports-1983		U.S. Imports-1982		%Change 83:82
	$ Mil.	% of Total	$ Mil.	% of Total	Dollar Value
Japan	$414.9	43.8%	$529.2	42.2%	-21.6%
West Germany	125.7	13.3	204.6	16.3	-38.6
Taiwan	83.4	8.8	90.9	7.3	-8.3
United Kingdom	66.4	7.0	107.5	8.6	-38.2
	$690.4	72.9%	$ 932.2	74.4%	-25.9%

Japan supplied 44% of total U.S. machine tool imports during 1983, up from 42% last year. Metal cutting imports of $340.0 million were down 27% from the 1982 level. Imports of metal forming machines from Japan rose to $74.9 million, 22% above the previous year.

LEADING IMPORT SOURCES

1983 VS. 1982



U.S. imports of both metal cutting and metal forming machine tools from West Germany declined in 1983. Metal cutting imports of $91.6 million were 41% below last year's level while metal forming imports fell 31% to $34.1 million. West German imports represented 13% of total U.S. imports during 1983, 3 percentage points below their 1982 level of 16%.

Taiwan's share of total U.S. imports rose 2 percentage points from the previous year's level to 9%. Of the $83.4 million import total, $82.4 million was comprised of metal cutting machine tools. This metal cutting total was 8% below the 1982 level but accounted for nearly 12% of total U.S. metal cutting imports for the year.

The United Kingdom's share of total U.S. imports fell 2 percentage points from its 1982 level and stood at 7%. Metal cutting and metal forming imports both declined, by 40% and 27%, respectively. Metal cutting imports totaled $56.6 million and metal forming purchases totaled $9.8 million.

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